

State-land lease fetches \$340 mil

By Shaun McKinnon
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A retail development company will pay Arizona \$13.5 million a year to lease 55 acres of state trust land in north Peoria.

Cypress Entities won a spirited auction for the land at Happy Valley Road and Lake Pleasant Parkway. The company outbid Phoenix-based Tri-Plus Partners.

The land, which had been appraised at \$10.8 million, was auctioned for commercial uses. Projects there will likely be a mix of retail and other neighborhood commercial services.

Although the State Land Department sells land set aside for residential development, it auctions leases for commercial property.

The 25-year lease will generate nearly \$340 million,

money that will benefit Arizona's public schools. Proceeds from land sales are deposited in a permanent trust, but lease payments are delivered directly to the schools, state Land Commissioner Mark Winkelman said.

The State Land Department oversees more than 9 million acres of state trust land, which was given to Arizona by the federal government at statehood.